



Stewardship • Integrity • Excellence

TREASURY BOARD
COMMONWEALTH OF VIRGINIA

June 24, 2026

10:00 a.m.

In-person Meeting
Richmond, Virginia

Members Present: David L. Richardson, Chairman
Kristin Collins
Henry C. Eickelberg
Sharon Lawrence

Members Absent: Neil Amin
Joseph Flores
Dr. Joshua Weed

Meeting Guests:

Freddy Mejia	Office of the Governor
Meg Hemphill	Office of the Governor, Governors' Fellow
Kevin Harber	Office of the Attorney General
Scott Fleming	PFM Asset Management LLC
Jack Schnorbus	PFM Asset Management LLC
Sean Ekiert	Raymond James
Chad Reed	Old Dominion University
Stephanie Jennelle	Old Dominion University
Megan Gilliland	Kaufman & Canoles
Christopher Harms	Loomis, Sayles & Company
Ken Johnson	Loomis, Sayles & Company
EJ Tateosian	Loomis, Sayles & Company
Henry Powers	Wells Fargo Securities
Kevin Larkin	Bank of America
Brandi Keefer	Bank of America
Andy Sorrell	Virginia Foundation for Healthy Youth
Kyle Zotta	Mercer
Cliff Lewis	Department of the Treasury
Kathy Foote	Department of the Treasury
Jessica Revely	Department of the Treasury
Stuart Williams	Department of the Treasury
David Back	Department of the Treasury
Judy Milliron	Department of the Treasury
Christina Wilhem	Department of the Treasury
Kumari Neha	Department of the Treasury



Stewardship • Integrity • Excellence

Brad Jones
Richard Rhodemyre
Janice Grenadier

Department of the Treasury
Department of the Treasury
Citizen

Call to Order and Approval of May 20, 2026, Minutes

Chairman Richardson welcomed the Board members and called the meeting to order at 10:02 a.m.

Chairman Richardson opened the meeting by introducing and welcoming Deputy Secretary Freddy Mejia and Meg Hemphill, the Secretary of Finance Office Governors' Fellow.

Chairman Richardson asked if there were any changes or comments to the Meeting Minutes of the May 20, 2026; there being none, Chairman Richardson called for a vote to approve the minutes of the May 20, 2026, meeting. Mr. Eickelberg moved for approval, Ms. Collins seconded the motion, and it was adopted unanimously.

Public Comment

Janice Grenadier addressed the Board regarding the Virginia judiciary.

Action Items and Board Briefings

Resolution Approving the Proposed Terms and Structure of a Financing Arrangement for the Benefit of Old Dominion University Real Estate Foundation

Chairman Richardson introduced Mr. Chad Reed, Chief Financial Officer of Old Dominion University, Sean Ekiert, of Raymond James, Financial Advisor to Old Dominion University Real Estate Foundation and Megan Gilliland, of Kaufman and Canoles, bond counsel.

Mr. Reed provided an overview of the proposed housing project for which ODU sought financing, outlining current and future student housing needs, the history and strategic relevance of the property under consideration by the Foundation, and the anticipated institutional benefits associated with the acquisition.

Mr. Ekiert presented a detailed summary of the financing structure, noting that the Foundation would acquire the apartment complex for \$76 million and lease it to ODU under a 30-year agreement in which ODU assumes responsibility for all operating and financial obligations, including debt service, maintenance, capital improvements, taxes, and insurance, with an option to purchase at the end of the lease term. He explained that the acquisition would be financed through a direct bank placement with Atlantic Union Bank, amortized over 30 years with a 15-year initial commitment period and no



Stewardship • Integrity • Excellence

prepayment penalty, and that the loan must begin on a taxable basis until the property becomes fully student-occupied. The Lender's terms permit conversion to tax-exempt financing at any point during the 15-year commitment, with ODU targeting conversion on September 1, 2027. Mr. Ekiert further described the variable-rate structure of both the taxable and potential tax-exempt phases and the Foundation's plan to mitigate interest rate exposure through two coordinated interest rate swaps: a short-term taxable swap effective at closing and terminating on September 1, 2027, and a forward 10-year tax-exempt swap commencing on the same date to establish a synthetic fixed-rate profile and provide long-term stability in ODU's debt service payments.

Discussion ensued.

Ms. Gilliland subsequently reviewed the associated loan documents and the Resolution presented for the Board's consideration.

Chairman Richardson asked if there was a motion to adopt the Resolution as presented. Mr. Eickelberg made the motion; Ms. Collins seconded the motion, and the motion was unanimously adopted by all members present.

Presentation by investment manager Loomis, Sayles & Company (long duration portfolio)

Chairman Richardson welcomed the representatives of Loomis, Sayles & Company, Mr. Kenneth Johnson, Head of US Relationship Management, Mr. Christopher Harms, Portfolio Manager and Mr. EJ Tateosian, CFA, Investment Director.

The firm thanked Treasurer Richardson for allowing them to present to the board for the first time since being hired 2 years ago.

Loomis, Sayles & Company presented an overview of its long-duration fixed-income management for the Commonwealth, highlighting the firm's capabilities, adherence to guidelines, and its research-driven investment philosophy. The team reviewed portfolio performance for the period May 31, 2025, through May 31, 2026, including total return results relative to the benchmark. They provided attribution analysis covering sector allocation, security selection, duration positioning, and yield-curve strategy.

The firm summarized the Sector performance as following: Treasury holdings largely reflected broader rate movements; investment-grade corporates contributed positively through both allocation and issuer selection; and structured products showed mixed results, influenced by spread behavior and security-level fundamentals. Loomis noted which sectors added to excess return and where allocation choices were more neutral or detracted.

The firm reaffirmed its commitment to disciplined oversight and continued alignment with the Commonwealth's long-duration objectives.



Stewardship • Integrity • Excellence

Discussion ensued.

Chairman Richardson expressed his appreciation to the firm for their comprehensive presentation and overview of the Commonwealth of Virginia's portfolio.

Presentation by Mercer on the Quarterly Performance Evaluation Report for the EDCP Portfolio as of March 31, 2026

Mr. Kyle Zotta of Mercer LLC provided an overview of the quarterly EDCP Performance Evaluation Report as of March 31, 2026. Mr. Zotta summarized the gains and losses and underlying components in the change of market value and managers. He reviewed the asset allocation and performance net of fees, asset allocation compliance and historical and custom benchmarks.

Discussion ensued.

Resolution Approving the Transfer of 15% of the Virginia Foundation for Healthy Youth (VFHY) Endowment to the Virginia Tobacco Settlement Fund

Mr. Cliff Lewis introduced Mr. Andy Sorrell, Deputy Director of VFHY. Mr. Sorrell provided his background and a presentation summarizing the statutory framework governing VFHY under Chapter 14 of the Code of Virginia. He explained that VFHY is a state-created entity responsible for managing a portion of the Commonwealth's tobacco settlement revenues to support youth health initiatives, including efforts to prevent or reduce tobacco use among minors, reduce childhood obesity, and prevent and reduce substance use among youth.

Mr. Sorrell reviewed the structure and purpose of the VFHY Endowment, noting that it holds proceeds from the sale of tobacco-settlement revenue rights and other designated contributions and is managed by the Treasury Board. He stated that, under statutory authority, the Foundation may transfer a limited portion of the Endowment's principal—generally up to 10 percent annually, or up to 15 percent with a two-thirds vote of the VFHY Board—to support its programs and operations.

Mr. Sorrell further reported on current circumstances affecting projected settlement revenues. He explained that, during FY 2026, VFHY was advised that smaller tobacco companies might reach a market-share threshold under the Master Settlement Agreement that could reduce the Foundation's funding by approximately 50 percent. In anticipation of this potential shortfall, the VFHY Board approved, by the required two-thirds vote, a distribution of 15 percent of the Endowment to support ongoing operations and expenses. Although it was later determined that the threshold had not been reached, VFHY elected to proceed with the transfer to ensure that funds would be available to offset any future reduction in settlement revenues. The Resolution approving the transfer of 15 percent of the VFHY Endowment to the Virginia Tobacco Settlement Fund was then presented to the Board for consideration.



Stewardship • Integrity • Excellence

Discussion ensued.

Chairman Richardson called for a motion to approve the Resolution. Ms. Lawrence made the motion to approve, Ms. Collins seconded, and the motion was unanimously adopted.

Motion to Delegate the Acceptance of the SNAP Audit Report

Mr. Stuart Williams of the Department of the Treasury's Cash Management and Investment Division made a presentation regarding the Motion to Delegate the Acceptance of the SNAP Audit Report to the Treasurer. He explained that, due to the timing of the next Treasury Board meeting, approval was being sought at this time. The Board expressed appreciation for the presentation and proceeded to consider the motion as presented.

Chairman Richardson called for a motion to approve the Motion to Delegate the Acceptance of the SNAP Audit Report. Ms. Lawrence made the motion to approve, Mr. Eickelberg seconded, and the motion was unanimously adopted.

Investments

Mr. David Back presented the Investment Reports for the month ending May 31, 2026. He noted that financial markets are now pricing in two 25-basis-point interest rate increases from the Federal Reserve over the next twelve months. He reported that General Account portfolio assets increased by \$1 billion to a total of \$29 billion during May, and that the Local Government Investment Pool (LGIP), with assets of \$11.7 billion, received net inflows of \$48 million for the month.

Within the General Account, the yield-to-maturity of the primary liquidity portfolio was reported at 3.74 percent at month end, exceeding the benchmark rate of 3.62 percent. Mr. Back noted that the primary liquidity portfolio has recently increased its purchases of floating-rate securities. Assets in the Extended Duration and Credit Portfolio earned 0.23 percent for the month, compared with a benchmark return of 0.21 percent. On a composite basis, the General Account reported a yield-to-maturity of 4.03 percent, with collected income totaling \$67 million.

Mr. Back further reported that both the Local Government Investment Pool (LGIP) and the LGIP Extended Maturity Portfolio remained in full compliance with applicable standards and guidelines, with no active violations. The LGIP portfolio achieved a yield-to-maturity of 3.78 percent in May, outperforming its relevant benchmarks. Assets in the LGIP Extended Maturity Portfolio declined by \$11 million due to a participant transfer. He concluded by stating that the yield associated with the Extended Maturity portfolio was 3.98 percent, with a portfolio duration consistent with its benchmark index.

Discussion ensued.



Stewardship • Integrity • Excellence

Debt

Mr. Brad Jones provided an overview of the Virginia Commonwealth Debt Calendar as of June 1, 2026, and reported on the results of the Commonwealth Transportation Board, Federal Transportation Grant Anticipation Revenue and Refunding Notes, Series 2026 bond sale. He continued his report by providing an update on the upcoming anticipated bond sales as outlined in the Commonwealth's Debt Calendar. He noted that these planned issuances remain consistent with the Commonwealth's established financing schedules and funding requirements and advised that additional detail will be provided to the Board as transaction timelines are confirmed.

Mr. Jones also provided an update on the Master Equipment Leasing Program (MELP) and Virginia Energy Leasing Program (VELP). He reported that total leases funded to date under MELP amounted to approximately \$34 million, with an additional \$10.9 million in outstanding equipment financing requests. He further noted that no activity occurred under the Energy Leasing Program during the month of May.

Discussion ensued.

Security for Public Deposits

Mr. Lewis presented the SPDA report for the period April 2026. He reported that one opt-out depository, People's Bank, was undercollateralized during the reporting period due to a \$15 million deposit, and that additional collateral was pledged on May 4, 2026, to restore compliance. He noted that IDC's 4th Quarter 2025 ratings were used for this review and that no new institutions were added to the approved list. He further reported that five pooled institutions—Blue Grass Valley Bank, Primis Bank, Carter Bank & Trust, Movement Bank, and New Horizon Bank, N.A. were rated below average based on IDC's 4th Quarter 2025 ratings. Mr. Lewis stated that Primis Bank will be removed from the below-average list if its 1st Quarter 2026 rating is average or above.

Mr. Lewis concluded by noting that the monthly under collateralization and late-reporting summaries for the past year, along with the listing of qualified public depositories as of April 30, 2026, were included in the materials provided to the Board.

Discussion ensued.

Treasurer Richardson announced that although the next meeting of the Treasury Board is scheduled for July 15, 2026, it was more likely that the Board would not meet again until September. He stated that the Board would be notified in advance should the meeting be cancelled in the event that no action items require the Board's approval for the upcoming month.



Stewardship • Integrity • Excellence

Other Business

The meeting adjourned at 12:00 p.m.

Respectfully submitted,

Sandra Stanley

Sandra Stanley, Secretary
Commonwealth of Virginia Treasury Board

DRAFT